

were transferable by bearer, a system for the first time introduced into France, so far as known ; for even the shares of bank were made out to the owners. Law proceeded to make negotiations with the government through his friend, the Regent, for fanning the taxes, for coining money, for managing the tobacco monopoly, which had been under the control of the State, and for assuming the entire public debt. He introduced a number of reforms into the collection of the taxes by discontinuing the collection of those which were disproportionately costly and vexatious in proportion to the amount obtained, and he proposed more sweeping changes which would have abolished needless offices, consolidated various imposts into one, and removed some of the fetters from French commerce.

The attribution of all these public functions to a single company, as well as the management of the commerce of two continents, would in themselves probably, as Law's great opponent, Paris-Duverney, pointed out, have caused the organization to break down of its own weight, and have attracted the jealousy of the government. But Law, and those who were carried away with him by the grandeur of the new scheme, did not wait for the slow operation of commercial causes to sow the seeds of destruction of their enterprise. He succeeded in having the bank transformed into a public institution (*Jtanque Roy ale*) by a decree of December 27, 1718, and had the stockholders reimbursed in specie for their subscriptions. Redemption of the notes in bank crowns was abandoned by the decree which made the bank a public one, and redemption was required only in the official money of the country. This move created a degree of distrust which led to a new decree of April 22, 1719, that bills payable in the existing standard should not be subject to the diminutions which might affect specie. The tendency of such a decree was to put the bank-bills at a premium over current coins, which were being perpetually debased and altered by the wretched administration of the finances. The total circulation of bills in April, 1719, the date of the last decree, was 110,000,000 livres (\$22,000,000).